

BEFORE THE IDAHO BOARD OF TAX APPEALS

IN THE MATTER OF THE APPEAL OF ALLEN WILSON)	APPEAL NO. 06-A-2050
from the decision of the Board of Equalization of Adams)	FINAL DECISION
County for tax year 2006.)	AND ORDER

RESIDENTIAL PROPERTY APPEAL

THIS MATTER came on for hearing September 6, 2006, in Council, Idaho, before Hearing Officer Steve Wallace. Board Members Lyle R. Cobbs and David E. Kinghorn participated in this decision. Allen Wilson appeared for himself. Chief Deputy Ginger Getusky, Consulting Appraiser Cliff McLean, and County Appraiser Warren Rice appeared for Respondent Adams County. This appeal is taken from a decision of the Adams County Board of Equalization (BOE) denying the protest of the valuation for taxing purposes of property described as Parcel No. RPM02500050050A.

The issue on appeal is the market value of an older residential property.

The decision of the Adams County Board of Equalization is affirmed.

FINDINGS OF FACT

The assessed land value is \$30,240, and the improvements value is \$38,851, totaling \$69,091. Appellant requests the total value be reduced to \$18,000.

The subject property is a single small lot of 5,250 square feet, improved with a single-family residence with 1,040 square feet, located in or near the "Morgan Town" section of New Meadows. The residence is on a log foundation and is likely of a log or mining camp origin. The improvements are estimated to be over 60 years old. The County has the improvements coded as a "class 2" (low quality construction.) The subject property is used as a single-family rental.

Appellant disputes the substantial increase reflected in subject's 2006 assessment particularly in relation to land value. It is contended subject is over-assessed where the County considered comparable sales that, due to larger land size, possess multi-family development

potential. Zoning requirements disclose a 9,000 square foot (sq. ft.) minimum land size is necessary to permit multi-family (higher density) development.¹ Three County comparables (Nos. 2, 3 and 4) were for improved, multi-lot sales, with over 9,000 sq. ft. (13,950, 9,300 and 16,275 sq. ft. respectively.) Sale No. 1 with two lots had a land size of 8,120 sq. ft. On sale No. 1 the older residence was tore down following the transfer, indicating potential future land development was the driving factor behind the sale.

Taxpayer's value claim was based on subject's last sale price (reportedly \$18,000) which dated to a time period of near seven (7) years ago. Significant changes made to subject since the sale were described as "lots of paint."

Appellant began by reporting on the substantial market changes observable in subject's New Meadows (Meadows Valley) location. Pressures from adjoining Valley County were being observed in relation to rapid price level changes. Annual appreciation rates of up to and over 60% were documented. January 1, 2006 was stressed to be the relevant appraisal date, and that given rapid price appreciation, it was necessary to time adjust all sale prices.

The Assessor looked to sales information of "like properties" in measuring subject's indicated market value. Four nearby and recent sales were grid-analyzed (side-by-side compared), however without suggesting adjustments for the identified property differences. The time-adjusted sale prices ranged from \$141, 278 for a February 2006 sale to \$188,700 for a November 2005 sale. All four comparables were assessed for more than subject indicating Respondent found them to be "superior" to subject. Appellant agreed.

¹The zoning section in question provides "Uses Permitted . . . On property not less than nine thousand 9,000 square feet, with a minimum lot width of sixty (60) feet . . . one (1) single-family . . . Multiple-family dwellings, except each unit above two (2) shall add one thousand (1,000) feet to the minimum lot size requirement."

The County described another November 2006 sale, two lots away from subject (sale No. 1), as the most comparable. The time adjusted price was \$144,300. This sale included two lots containing 8,120 square feet. The very old and poor condition residence had 1,238 square feet and was removed after the sale.

Respondent had three land grades for New Meadows land. Subject was in the lowest valued area. It was acknowledged that Appellant raised a good point about land values being affected by the multi-family zoning standard. It was opined that subject could perhaps have an extensive remodel, but it would likely be more difficult (expensive) than new construction and couldn't result in a multi-family improvement.

The County presented assessment sale ratios on the four sales compared to subject. They ranged from 62.5% on sale No. 1 to 102% on the 2006 sale No. 3. Appellant contended the market was down in 2006. The other two ratios were near 90%. Collectively the ratios did not indicate an over-assessment of properties near and comparable to subject.

CONCLUSIONS OF LAW

This Board's goal in its hearings is the acquisition of sufficient, accurate evidence to support a determination of fair market value. This Board, giving full opportunity for all arguments and having considered all testimony and documentary evidence submitted by the parties in support of their respective positions, hereby enters the following.

Appellant alleges the subject assessment is too high. It is noted that the County comparables are superior to subject, importantly on the potential for future development imbedded in the respective land sizes. The County also clearly held the comparables to be superior, where subject was assessed for far less than any of the recent sale prices and in comparison to the other property's assessments.

Taxpayer's case raises good points in connection with subjects market value, however the case is stronger on assertion than demonstrated fact. Appellant provided no alternative comparable sales for consideration. The value claim is based on a very dated subject sale. The sale information is particularly stale given the significant and fairly recent changes in the local marketplace. The germane date of valuation for this real property is January 1, 2006. Idaho Code § 63-205(1).

Market value is largely a factual issue. *Merris v. Ada County*, 100 Idaho 59, 593 P.2d 394 (1979). The State Constitution places an assumption of correctness on the tax assessment which must be overcome by a preponderance of the evidence. Idaho Code § 63-511(4). "A 'preponderance of evidence' is evidence that, when weighed with that opposed to it, has more convincing force and from which results a greater probability of truth." *Harris v. Electrical Wholesale*, 141 Idaho 1, 3; 105 P.3d 267, 269 (2004). The County correctly looked to comparable sales and a replacement cost new less depreciation model to determine subject's market value. Appellant has proven no error, nor presented any appraisal analysis or alternate sale information for consideration. Under these circumstances the decision of the Adams County Board of Equalization must be affirmed.

FINAL ORDER

In accordance with the foregoing Final Decision, IT IS ORDERED that the decision of the Adams County Board of Equalization concerning the subject parcel be, and the same hereby is, AFFIRMED.

DATED this 9th day of February, 2007.